



CITY OF NEWPORT BEACH HUMAN RESOURCES DEPARTMENT

WHAT YOU NEED TO KNOW ABOUT THE HEALTH BENEFITS OPT-OUT PROVISION

The health benefits opt out provision is a benefit found and defined in the Memorandum of Understanding (MOU) of all City bargaining groups. This packet of information has been developed in order to facilitate employee's understanding of the benefit and to provide all the forms necessary for implementation.

WHEN CAN I UTILIZE THIS BENEFIT?

This benefit becomes available when a covered City employee obtains alternative medical coverage under their spouse's group plan **OR** when a covered City employee obtains group medical coverage outside the City's plans within the last 60 days. Opting out can also occur during the open enrollment period as well.

The opt-out is not available to a covered City employee whose spouse is also a covered City employee except during open enrollment periods. This is a requirement of the health plans.

HOW DO I OBTAIN MY OPT-OUT BENEFIT?

You must read and complete the waiver and release agreement and attach proof of active and current alternative group coverage as stipulated in the waiver form.

WHEN WILL MY COVERAGE ACTUALLY BE CANCELED?

Your coverage under a City health plan will cease on the last day of the month you successfully complete your paperwork to cancel your insurance.

HOW SOON WILL I START TO RECEIVE MY BENEFIT?

You will begin to receive your benefit in the second pay period of the month following the month in which your insurance was canceled.

Please note: Benefits will begin as stated above provided you submit your waiver to Human Resources and it is approved by the 15th of the month, otherwise benefits will be delayed for an additional month.

HOW DO I GET REINSTATED IN A CITY HEALTH PLAN AFTER WAIVING COVERAGE?

The medical, dental and vision plans require that reinstatement occur only during open enrollment periods, unless you experience a qualifying event.

WHAT IS A QUALIFYING EVENT?

Marriage, divorce, birth of a child, death, loss of coverage, gaining other coverage, placement of an adopted child, and gaining stepchildren through marriage are all considered qualifying events. You only have 60 days after a qualifying event to make any adjustments.

WHO CAN I TALK TO FOR MORE INFORMATION?

Please feel free to contact any member of the Human Resources Office staff about this benefit. The office phone number is (949) 644-3256.



CITY OF NEWPORT BEACH

WAIVER OF BENEFITS AND RELEASE AGREEMENT

The City of Newport Beach provides health benefits, which are defined to be medical, dental and vision to all its regular full-time City employees. Employees will be allowed to waive the City's health benefits, and if they choose to do so, they may receive opt-out money depending on their bargaining unit. To qualify, the employee would be required to supply evidence of alternative group medical coverage and sign this agreement. The opt-out amounts are as follows:

- **CEA, FFA, FMA, Key & Management, Prof Tech and League = \$1,049.00 per month or \$484.15 per pay period.**
- **LMA, PEA and PMA = \$974.00 per month or \$449.54 per pay period**

I, _____ am in _____ Association and am eligible for \$_____ per/mo.
Print Name

1. Employee has group medical coverage, or for current employees gained group medical coverage within the last 30 days, and would like to waive his/her rights to participate in the City offered medical coverage in order to receive the opt-out money per month.
2. Employee has provided the City with proof of current group medical coverage in **one of the following forms** and attached it to this waiver and incorporated by reference. **Copies of or presentation of other insurance member identification cards is not accepted as proof of coverage.**
 - A. Letter from Employee's spouse's employer or covered person's employer, or
 - B. Letter from the other insurance plan verifying that Employee is covered as a subscriber or dependent under their coverage.
3. By signing this waiver:
 - A. Employee agrees to release the City of Newport Beach from any responsibility as their employer to provide medical coverage to Employee. Employees may only waive health benefits once per plan year, unless a qualifying event occurs.
 - B. Employee agrees to indemnify and hold harmless the City of Newport Beach from any responsibility, damages, losses, causes of action or other claims as a result of Employee's request to waive City provided medical coverage and the City's cancellation of coverage in Employee's name in response to Employee's execution of this waiver.
4. This waiver and release agreement shall remain in full effect until the next Open Enrollment period at which time I acknowledge that I will be required to provide updated proof of other group coverage, should I wish to opt-out for the following plan year. Note that the proof of other group coverage must be in effect for the duration of the following plan year.

Waiving: ☐ PERS Medical ☐ City Blue Cross Medical ☐ Dental ☐ Vision

Date

Employee Signature

Human Resources Department Use Only

☐ Proof of valid coverage attached

☐ Cancel forms attached (N/A to City Blue Cross)

Date

Authorized H.R. Personnel